

FILED IN OPEN COURT
DATE: 8/2/24

TIME: _____

INITIALS: BTC IN THE UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF TENNESSEE
WESTERN DIVISION

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MAY - 9 2024

Wendy R Oliver, Clerk
U.S. District Court
W.D. OF TN, Memphis

UNITED STATES OF AMERICA,

Plaintiff,

vs.

HERMAN SHAW

Defendant.

Cr. No.:

18 U.S.C. § 1343

INFORMATION

THE UNITED STATES ATTORNEY CHARGES:

COUNT 1

(Wire Fraud)

The Scheme to Defraud:

1. In and about June 2020, the defendant HERMAN SHAW and an individual with the initials "L.E", engaged in a scheme to obtain Government-guaranteed loans through a loan program of the United States Small Business Administration ("SBA") designed to provide relief to small businesses during the COVID-19 pandemic, namely the Paycheck Protection Program (the "PPP").
2. It was a part of this scheme that L.E. initially contacted SHAW and requested that he provide L.E. with information regarding a business named Freight Masters Inc. that he controlled.
3. It was a further part of this scheme that L.E. then assisted SHAW in submitting a fraudulent PPP loan application for Freight Masters seeking \$786,712 to an SBA approved lender. This application was fraudulent in that it contained false information, false certifications about how the loan would be used, and a false IRS

document regarding the amount of payroll and the number of employees that Freight Masters Inc. allegedly had.

4. It was a further part of this scheme that when SHAW obtained the \$786,712 in loan proceeds, he then paid kickbacks from these proceeds to L.E. in the amounts of \$220,800 and \$42,000.95.
5. It was a further part of this scheme that when SHAW received the loan proceeds he also did not use them for lawful purposes such as paying employees or rent. Instead, SHAW used most of the proceeds for his own personal expenses, cars, gambling, and to pay the above-noted kickbacks.

Statutory Allegations

6. On about June 4, 2020, in the Western District of Tennessee and elsewhere, HERMAN SHAW, the defendant, being aided and abetted by L.E., and knowingly having devised and intending to devise a scheme and artifice to defraud and for obtaining money and property by means of false and fraudulent pretenses, representations, and promises, did transmit and cause to be transmitted by means of wire communication in interstate commerce, writings, signs, signals, pictures, and sounds for the purpose of executing such scheme and artifice: to wit, SHAW and L.E. engaged in a scheme to obtain a Government-guaranteed loan by means of materially false and fraudulent pretenses, representations, and documents for a business controlled by SHAW through a loan program of the SBA designed to provide relief to small businesses during the COVID-19 pandemic, namely the

PPP, and caused a wire transfer of \$786,212 to be sent from outside of Tennessee to a bank account controlled by SHAW within Tennessee. All in violation of 18, United States Code, Section 1343.



KEVIN G. RITZ
UNITED STATES ATTORNEY

DATE: May 8, 2024